

ORIGINAL



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2007 SEP 19 P 3:06

AZ CORP COMMISSION  
DOCKET CONTROL

September 19, 2007

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

RE: UNS ELECTRIC, INC. – E-04204A-06-0783

Enclosed are three exhibits that UNS Electric, Inc. intends to introduce at the hearing on Thursday, September 20, 2007, to reflect the potential impact of the Purchased Power and Fuel Adjustment Clause ("PPFAC") on customer bills in different scenarios.

Sincerely,

Michael W. Patten

MWP:mi  
Enclosures

cc: Chairman Mike Gleason  
Commissioner William A. Mundell  
Commissioner Jeff Hatch-Miller  
Commissioner Kristin K. Mayes  
Commissioner Gary Pierce  
Teena Wolfe, Administrative Law Judge  
Parties in Docket

Arizona Corporation Commission  
DOCKETED  
SEP 19 2007

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# **UNSE EXHIBIT**

**Summaries of Estimated Average Retail Rate Impacts**

**For Period June 2008 – May 2009**

**UNS Electric, Inc.**  
**Base Rates and Impact of Market Based**  
**Purchased Power and Fuel Cost (Permian Gas @ \$7.50 / mmBtu)**

Base Rates and Estimated PPFAC June 2008 through May 2009					
Average Rate - ¢/kWh	Present Rates	Proposed Rates under PWCC Contract	Before Rate Reclassification	Adjustment for BMGS	After Rate Reclassification
Base Rate - Delivery Charges	2.83	3.36	3.36	0.62	3.98
Base Rate - Fuel & Purchased Power	5.19	7.04	7.04	(0.62)	6.42
PPFAC - Existing Rate	1.83	-	-	-	-
PPFAC - Forward Component	-	-	1.73	-	1.73
PPFAC - True-Up Component (1)	-	-	(0.16)	-	(0.16)
Total	9.85	10.40	11.97	-	11.97
Percentage Increase from Present		5.6%	21.5%		21.5%

Notes

(1) True-up component based on forecasted PPFAC balance of (\$2.9) million as of June 2008.

UNS Electric, Inc.

Base Rates and Impact of Market Based  
Purchased Power and Fuel Cost

Base Rates and Estimated PPFAC with Black Mountain Generating Station (June 2008 through May 2009)					
Average Rate - \$/kWh	Present Rates	Proposed Rates under PWCC Contract	Permian Gas at \$6.00	Permian Gas at \$7.50	Permian Gas at \$9.00
Base Rate - Delivery Charges (1)	2.83	3.36	3.98	3.98	3.98
Base Rate - Fuel & Purchased Power (1)	5.19	7.04	6.42	6.42	6.42
PPFAC - Existing Rate	1.83	-	-	-	-
PPFAC - Forward Component	-	-	0.48	1.73	2.98
PPFAC - True-Up Component	-	-	(0.16)	(0.16)	(0.16)
Total	9.85	10.40	10.72	11.97	13.22
Percentage Increase from Present		5.6%	8.8%	21.5%	34.2%

Base Rates and Estimated PPFAC with BMGS and Solid Fuel Resource (June 2008 through May 2009)					
Average Rate - \$/kWh	Present Rates	Proposed Rates under PWCC Contract	Permian Gas at \$6.00	Permian Gas at \$7.50	Permian Gas at \$9.00
Base Rate - Delivery Charges (1)	2.83	3.36	3.98	3.98	3.98
Base Rate - Fuel & Purchased Power (1)	5.19	7.04	6.42	6.42	6.42
PPFAC - Existing Rate	1.83	-	-	-	-
PPFAC - Forward Component (2)	-	-	0.37	0.90	1.39
PPFAC - True-Up Component	-	-	(0.16)	(0.16)	(0.16)
Total	9.85	10.40	10.61	11.14	11.63
Percentage Increase from Present		5.6%	7.7%	13.1%	18.1%

Notes

(1) Estimated rates reflects proposed rate reclassification for BMGS.

(2) Assumes 168MW solid fuel resource delivered to UNSE beginning June 2008.

# **UNSE EXHIBIT**

**Estimated Rates with BMGS and Permian Gas @ \$7.50**

**For Period June 2008 – May 2009**

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006  
Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Residential Service Delivery Charges - Mohave County</b>				
Customer Charge	\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs	\$0.07490	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs	\$0.07490	\$0.023056	\$0.029693	
Residential Service Base Power Supply Charge, all kWhs		\$0.073771	\$0.067245	
PPFAC Charge	\$0.01825	\$0.000000	\$0.015699	
Average Sales per Month				
0	\$6.50	\$7.70	\$7.70	18.46%
50	\$11.16	\$12.04	\$12.83	15.01%
100	\$15.82	\$16.38	\$17.96	13.59%
200	\$25.13	\$25.07	\$28.23	12.32%
400	\$43.76	\$42.43	\$48.75	11.41%
600	\$62.39	\$61.80	\$71.28	14.25%
800	\$81.02	\$81.16	\$93.81	15.78%
1,000	\$99.65	\$100.53	\$116.34	16.74%
2,000	\$192.80	\$197.35	\$228.97	18.76%
2,500	\$239.38	\$245.77	\$285.29	19.18%
5,000	\$472.25	\$487.84	\$566.88	20.04%
10,000	\$938.00	\$971.97	\$1,130.06	20.48%
<b>Residential Service Delivery Charges - Santa Cruz County</b>				
Customer Charge	\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs	\$0.079300	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs	\$0.079300	\$0.023056	\$0.029693	
Residential Service Base Power Supply Charge, all kWhs		\$0.073771	\$0.067245	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
Average Sales per Month				
0	\$6.50	\$7.70	\$7.70	18.46%
50	\$11.38	\$12.04	\$12.83	12.78%
100	\$16.26	\$16.38	\$17.96	10.51%
200	\$26.01	\$25.07	\$28.23	8.52%
400	\$45.52	\$42.43	\$48.75	7.11%
600	\$65.03	\$61.80	\$71.28	9.61%
800	\$84.54	\$81.16	\$93.81	10.96%
1,000	\$104.05	\$100.53	\$116.34	11.81%
2,000	\$201.60	\$197.35	\$228.97	13.58%
2,500	\$250.38	\$245.77	\$285.29	13.95%
5,000	\$494.25	\$487.84	\$566.88	14.70%
10,000	\$982.00	\$971.97	\$1,130.06	15.08%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006  
Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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		Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Residential Service Cares - Delivery Charges Mohave County</b>					
Customer Charge		\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs		\$0.074900	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs		\$0.074900	\$0.023056	\$0.029693	
Residential Service Cares Base Power Supply Charge, all kWhs			\$0.073771	\$0.067245	
PPFAC Charge		\$0.018250	\$0.000000	\$0.015699	
Discount		Varies	\$8.00	\$8.00	
<b>Average Sales per Month</b>					
0	30%	\$6.50	\$7.70	\$7.70	18.46%
50	30%	\$7.81	\$7.70	\$7.70	-1.41%
100	30%	\$11.07	\$8.38	\$9.96	-10.00%
200	30%	\$17.59	\$17.07	\$20.23	14.99%
400	20%	\$35.01	\$34.43	\$40.75	16.41%
600	20%	\$49.91	\$53.80	\$63.28	26.79%
800	10%	\$72.92	\$73.16	\$85.81	17.68%
1,000	10%	\$89.69	\$92.53	\$108.34	20.80%
2,000	\$8.00	\$184.80	\$189.35	\$220.97	19.57%
2,500	\$8.00	\$231.38	\$237.77	\$277.29	19.84%
5,000	\$8.00	\$464.25	\$479.84	\$558.88	20.38%
10,000	\$8.00	\$930.00	\$963.97	\$1,122.06	20.65%
<b>Residential Service Cares - Delivery Charges Santa Cruz County</b>					
Customer Charge		\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs		\$0.079300	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs		\$0.079300	\$0.023056	\$0.029693	
Residential Service Cares Base Power Supply Charge, all kWhs			\$0.073771	\$0.067245	
PPFAC Charge		\$0.018250	\$0.000000	\$0.015699	
Discount		Varies	8.00	8.00	
<b>Average Sales per Month</b>					
0	30%	\$6.50	\$0.00	\$7.70	18.46%
50	30%	\$7.96	\$0.00	\$7.70	-3.32%
100	30%	\$11.38	\$8.38	\$9.96	-12.43%
200	30%	\$18.21	\$17.07	\$20.23	11.10%
400	20%	\$36.42	\$34.43	\$40.75	11.91%
600	20%	\$52.02	\$53.80	\$63.28	21.64%
800	10%	\$76.09	\$73.16	\$85.81	12.78%
1,000	10%	\$93.65	\$92.53	\$108.34	15.69%
2,000	\$8.00	\$193.60	\$189.35	\$220.97	14.14%
2,500	\$8.00	\$242.38	\$237.77	\$277.29	14.41%
5,000	\$8.00	\$486.25	\$479.84	\$558.88	14.94%
10,000	\$8.00	\$974.00	\$963.97	\$1,122.06	15.20%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006  
Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Small General Service Delivery Charges - Mohave County</b>				
Customer Charge	\$10.00	\$12.00	\$12.00	
Energy Charge, first 400 kWhs	\$0.074500	\$0.027772	\$0.036508	
Energy Charge, all additional kWhs	\$0.074500	\$0.037772	\$0.046508	
Small General Service Base Power Supply Charge, all kWhs		\$0.072656	\$0.066228	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
50	\$14.64	\$17.02	\$17.92	22.44%
100	\$19.28	\$22.04	\$23.84	23.70%
250	\$33.19	\$37.11	\$41.61	25.37%
500	\$56.38	\$63.21	\$72.22	28.10%
1,000	\$102.75	\$118.43	\$136.44	32.78%
2,000	\$195.50	\$228.86	\$264.87	35.48%
3,500	\$334.63	\$394.50	\$457.52	36.73%
5,000	\$473.75	\$560.14	\$650.18	37.24%
10,000	\$937.50	\$1,112.28	\$1,292.35	37.85%
30,000	\$2,792.50	\$3,320.84	\$3,861.05	38.27%
50,000	\$4,647.50	\$5,529.40	\$6,429.75	38.35%
<b>Small General Service Delivery Charges Santa Cruz County</b>				
Customer Charge	\$10.00	\$12.00	\$12.00	
Energy Charge, first 400 kWhs	\$0.118300	\$0.027772	\$0.036508	
Energy Charge, all additional kWhs	\$0.118300	\$0.037772	\$0.046508	
Small General Service Base Power Supply Charge, all kWhs		\$0.072656	\$0.066228	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
50	\$16.83	\$17.02	\$17.92	6.50%
100	\$23.66	\$22.04	\$23.84	0.80%
250	\$44.14	\$37.11	\$41.61	-5.73%
500	\$78.28	\$63.21	\$72.22	-7.74%
1,000	\$146.55	\$118.43	\$136.44	-6.90%
2,000	\$283.10	\$228.86	\$264.87	-6.44%
3,500	\$487.93	\$394.50	\$457.52	-6.23%
5,000	\$692.75	\$560.14	\$650.18	-6.15%
10,000	\$1,375.50	\$1,112.28	\$1,292.35	-6.05%
30,000	\$4,106.50	\$3,320.84	\$3,861.05	-5.98%
50,000	\$6,837.50	\$5,529.40	\$6,429.75	-5.96%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.



UNS Electric, Inc.  
 Typical Bill Comparison - Present and Proposed Rates  
 Test Year Ended June 30, 2006  
 Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFA	Total Estimated Increase %
<b>Large General Service Delivery Charges</b>				
Customer Charge	\$10.10	\$11.10	\$11.10	
Demand Charge, per kW	\$9.50	\$10.50	\$10.50	50
Energy Charge, per kWh	\$0.053300	\$0.007497	\$0.013143	
Large General Service Base Power Supply Charge, all kWhs		\$0.068363	\$0.062315	
PPFA Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
5,000	\$842.85	\$915.40	\$991.89	17.68%
10,000	\$1,200.60	\$1,294.70	\$1,447.67	20.58%
25,000	\$2,273.85	\$2,432.60	\$2,815.03	23.80%
50,000	\$4,062.60	\$4,329.11	\$5,093.96	25.39%
100,000	\$7,640.10	\$8,122.11	\$9,651.82	26.33%
200,000	\$14,795.10	\$15,708.12	\$18,767.54	26.85%
300,000	\$21,950.10	\$23,294.13	\$27,883.26	27.03%
400,000	\$29,105.10	\$30,880.14	\$36,998.98	27.12%
500,000	\$36,260.10	\$38,466.15	\$46,114.70	27.18%
600,000	\$43,415.10	\$46,052.16	\$55,230.42	27.21%
<b>Large General Service TOU Delivery Charges</b>				
Customer Charge	\$15.00	\$16.00	\$16.00	
Demand Charge, per kW	\$8.50	\$10.50	\$10.50	50
Energy Charge, per kWh	\$0.053300	\$0.007497	\$0.013143	
Large General Service (TOU) Base Power Supply Charge, all kWhs		\$0.068363	\$0.062315	
PPFA Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
5,000	\$847.75	\$920.30	\$996.79	17.58%
10,000	\$1,205.50	\$1,299.60	\$1,452.57	20.50%
25,000	\$2,278.75	\$2,437.50	\$2,819.93	23.75%
50,000	\$4,067.50	\$4,334.01	\$5,098.86	25.36%
100,000	\$7,645.00	\$8,127.01	\$9,656.72	26.31%
200,000	\$14,800.00	\$15,713.02	\$18,772.44	26.84%
300,000	\$21,955.00	\$23,299.03	\$27,888.16	27.02%
400,000	\$29,110.00	\$30,885.04	\$37,003.88	27.12%
500,000	\$36,265.00	\$38,471.05	\$46,119.60	27.17%
600,000	\$43,420.00	\$46,057.06	\$55,235.32	27.21%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006  
Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Large Power Service (&lt;69KV) Delivery Charges</b>				
Customer Charge	\$365.00	\$365.00	\$365.00	500
Demand Charge, per kW	\$24.75	\$21.53	\$24.00	
Energy Charge, per kWh	\$0.023600	\$0.000000	\$0.000000	
Large Power Service (<69KV) Base Power Supply Charge, all kWhs	\$0.061534	\$0.061534	\$0.056090	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
300,000	\$25,295	\$29,590.20	\$33,901.00	34.02%
450,000	\$31,573	\$38,820.30	\$44,669.32	41.48%
650,000	\$39,943	\$51,127.10	\$59,027.08	47.78%
850,000	\$48,313	\$63,433.90	\$73,384.83	51.90%
950,000	\$52,498	\$69,587.30	\$80,563.71	53.46%
1,500,000	\$75,515	\$103,431.00	\$120,047.55	58.97%
1,750,000	\$85,978	\$118,814.50	\$137,994.74	60.50%
2,000,000	\$96,440	\$134,198.00	\$155,941.94	61.70%
2,500,000	\$117,365	\$164,965.00	\$191,836.34	63.45%
<b>Large Power Service (&gt;69KV) Delivery Charges</b>				
Customer Charge	\$800.00	\$400.00	\$380.00	500
Demand Charge, per kW	\$16.10	\$12.53	\$15.00	
Energy Charge, per kWh	\$0.023600	\$0.000000	\$0.000000	
Large Power Service (>69KV) Base Power Supply Charge, all kWhs	\$0.061534	\$0.061534	\$0.056090	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
<b>Average Sales per Month</b>				
300,000	\$21,405.00	\$25,125.20	\$29,416.00	37.43%
450,000	\$27,682.50	\$34,355.30	\$40,184.32	45.16%
650,000	\$36,052.50	\$46,662.10	\$54,542.08	51.29%
850,000	\$44,422.50	\$58,968.90	\$68,899.83	55.10%
950,000	\$48,607.50	\$65,122.30	\$76,078.71	56.52%
1,500,000	\$71,625.00	\$98,966.00	\$115,582.55	61.34%
1,750,000	\$82,087.50	\$114,349.50	\$133,509.74	62.64%
2,000,000	\$92,550.00	\$129,733.00	\$151,456.94	63.65%
2,500,000	\$113,475.00	\$160,500.00	\$187,351.34	65.10%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006  
Includes Black Mountain Generating Station (Permian Gas @ \$7.50/mmBtu)

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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
Interruptible Power Service Delivery Charges				
Customer Charge	\$10.10	\$11.10	\$11.10	50
Demand Charge, per kW	\$2.50	\$3.50	\$3.50	
Energy Charge, per kWh	\$0.053300	\$0.018268	\$0.022967	
Interruptible Power Service Base Power Supply Charge, all kWhs		\$0.062638	\$0.057096	
PPFAC Charge	\$0.018250	\$0.000000	\$0.015699	
Average Sales per Month				
10,001	\$850.67	\$995.24	\$1,143.81	34.46%
15,000	\$1,208.35	\$1,399.69	\$1,622.52	34.28%
20,000	\$1,566.10	\$1,804.22	\$2,101.33	34.18%
30,000	\$2,281.60	\$2,613.28	\$3,058.94	34.07%
50,000	\$3,712.60	\$4,231.41	\$4,974.17	33.98%
75,000	\$5,501.35	\$6,254.06	\$7,368.20	33.93%
100,000	\$7,290.10	\$8,276.71	\$9,762.24	33.91%
125,000	\$9,078.85	\$10,299.36	\$12,156.27	33.90%
150,000	\$10,867.60	\$12,322.02	\$14,550.30	33.89%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.



# **UNSE EXHIBIT**

**Estimated Rates with BMGS, a Solid Fuel Resource and  
Permian Gas @ \$7.50**

**For Period June 2008 – May 2009**

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006

Page 1 of 6

Includes Black Mountain Generating Station and Solid Fuel Resource (\$7.50/mmBtu Gas)

	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPAC	Total Estimated Increase %
<b>Residential Service Delivery Charges - Mohave County</b>				
Customer Charge	\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs	\$0.07490	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs	\$0.07490	\$0.023056	\$0.029693	
Residential Service Base Power Supply Charge, all kWhs		\$0.073771	\$0.067245	
PPFAC Charge	\$0.01825	\$0.000000	\$0.007406	
Average Sales per Month				
0	\$6.50	\$7.70	\$7.70	18.46%
50	\$11.16	\$12.04	\$12.42	11.29%
100	\$15.82	\$16.38	\$17.13	8.34%
200	\$25.13	\$25.07	\$26.57	5.73%
400	\$43.76	\$42.43	\$45.44	3.83%
600	\$62.39	\$61.80	\$66.31	6.28%
800	\$81.02	\$81.16	\$87.17	7.60%
1,000	\$99.65	\$100.53	\$108.04	8.42%
2,000	\$192.80	\$197.35	\$212.39	10.16%
2,500	\$239.38	\$245.77	\$264.56	10.52%
5,000	\$472.25	\$487.84	\$525.42	11.26%
10,000	\$938.00	\$971.97	\$1,047.14	11.63%
<b>Residential Service Delivery Charges - Santa Cruz County</b>				
Customer Charge	\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs	\$0.079300	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs	\$0.079300	\$0.023056	\$0.029693	
Residential Service Base Power Supply Charge, all kWhs		\$0.073771	\$0.067245	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
Average Sales per Month				
0	\$6.50	\$7.70	\$7.70	18.46%
50	\$11.38	\$12.04	\$12.42	9.14%
100	\$16.26	\$16.38	\$17.13	5.41%
200	\$26.01	\$25.07	\$26.57	2.15%
400	\$45.52	\$42.43	\$45.44	-0.18%
600	\$65.03	\$61.80	\$66.31	1.96%
800	\$84.54	\$81.16	\$87.17	3.12%
1,000	\$104.05	\$100.53	\$108.04	3.84%
2,000	\$201.60	\$197.35	\$212.39	5.35%
2,500	\$250.38	\$245.77	\$264.56	5.67%
5,000	\$494.25	\$487.84	\$525.42	6.31%
10,000	\$982.00	\$971.97	\$1,047.14	6.63%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

## Typical Bill Comparison - Present and Proposed Rates

Test Year Ended June 30, 2006

Includes Black Mountain Generating Station and Solid Fuel Resource (\$7.50/mmBtu Gas)

			Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
Residential Service Cares - Delivery Charges Mohave County						
Customer Charge			\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs			\$0.074900	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs			\$0.074900	\$0.023056	\$0.029693	
Residential Service Cares Base Power Supply Charge, all kWhs				\$0.073771	\$0.067245	
PPFAC Charge			\$0.018250	\$0.000000	\$0.007406	
Discount			Varies	\$8.00	\$8.00	
Average Sales per Month						
0	30%		\$6.50	\$7.70	\$7.70	18.46%
50	30%		\$7.81	\$7.70	\$7.70	-1.41%
100	30%		\$11.07	\$8.38	\$9.13	-17.49%
200	30%		\$17.59	\$17.07	\$18.57	5.56%
400	20%		\$35.01	\$34.43	\$37.44	6.94%
600	20%		\$49.91	\$53.80	\$58.31	16.82%
800	10%		\$72.92	\$73.16	\$79.17	8.58%
1,000	10%		\$89.69	\$92.53	\$100.04	11.55%
2,000	\$8.00		\$184.80	\$189.35	\$204.39	10.60%
2,500	\$8.00		\$231.38	\$237.77	\$256.56	10.88%
5,000	\$8.00		\$464.25	\$479.84	\$517.42	11.45%
10,000	\$8.00		\$930.00	\$963.97	\$1,039.14	11.73%
Residential Service Cares - Delivery Charges Santa Cruz County						
Customer Charge			\$6.50	\$7.70	\$7.70	
Energy Charge, first 400 kWhs			\$0.079300	\$0.013056	\$0.019693	
Energy Charge, all additional kWhs			\$0.079300	\$0.023056	\$0.029693	
Residential Service Cares Base Power Supply Charge, all kWhs				\$0.073771	\$0.067245	
PPFAC Charge			\$0.018250	\$0.000000	\$0.007406	
Discount			Varies	8.00	8.00	
Average Sales per Month						
0	30%		\$6.50	\$0.00	\$7.70	18.46%
50	30%		\$7.96	\$0.00	\$7.70	-3.32%
100	30%		\$11.38	\$8.38	\$9.13	-19.72%
200	30%		\$18.21	\$17.07	\$18.57	1.99%
400	20%		\$36.42	\$34.43	\$37.44	2.80%
600	20%		\$52.02	\$53.80	\$58.31	12.08%
800	10%		\$76.09	\$73.16	\$79.17	4.06%
1,000	10%		\$93.65	\$92.53	\$100.04	6.83%
2,000	\$8.00		\$193.60	\$189.35	\$204.39	5.57%
2,500	\$8.00		\$242.38	\$237.77	\$256.56	5.85%
5,000	\$8.00		\$486.25	\$479.84	\$517.42	6.41%
10,000	\$8.00		\$974.00	\$963.97	\$1,039.14	6.69%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Small General Service Delivery Charges - Mohave County</b>				
Customer Charge	\$10.00	\$12.00	\$12.00	
Energy Charge, first 400 kWhs	\$0.074500	\$0.027772	\$0.036508	
Energy Charge, all additional kWhs	\$0.074500	\$0.037772	\$0.046508	
Small General Service Base Power Supply Charge, all kWhs		\$0.072656	\$0.066228	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
50	\$14.64	\$17.02	\$17.51	19.60%
100	\$19.28	\$22.04	\$23.01	19.40%
250	\$33.19	\$37.11	\$39.54	19.13%
500	\$56.38	\$63.21	\$68.07	20.75%
1,000	\$102.75	\$118.43	\$128.14	24.71%
2,000	\$195.50	\$228.86	\$248.28	27.00%
3,500	\$334.63	\$394.50	\$428.50	28.05%
5,000	\$473.75	\$560.14	\$608.71	28.49%
10,000	\$937.50	\$1,112.28	\$1,209.42	29.01%
30,000	\$2,792.50	\$3,320.84	\$3,612.27	29.36%
50,000	\$4,647.50	\$5,529.40	\$6,015.12	29.43%
<b>Small General Service Delivery Charges Santa Cruz County</b>				
Customer Charge	\$10.00	\$12.00	\$12.00	
Energy Charge, first 400 kWhs	\$0.118300	\$0.027772	\$0.036508	
Energy Charge, all additional kWhs	\$0.118300	\$0.037772	\$0.046508	
Small General Service Base Power Supply Charge, all kWhs		\$0.072656	\$0.066228	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
50	\$16.83	\$17.02	\$17.51	4.04%
100	\$23.66	\$22.04	\$23.01	-2.71%
250	\$44.14	\$37.11	\$39.54	-10.43%
500	\$78.28	\$63.21	\$68.07	-13.04%
1,000	\$146.55	\$118.43	\$128.14	-12.56%
2,000	\$283.10	\$228.86	\$248.28	-12.30%
3,500	\$487.93	\$394.50	\$428.50	-12.18%
5,000	\$692.75	\$560.14	\$608.71	-12.13%
10,000	\$1,375.50	\$1,112.28	\$1,209.42	-12.07%
30,000	\$4,106.50	\$3,320.84	\$3,612.27	-12.04%
50,000	\$6,837.50	\$5,529.40	\$6,015.12	-12.03%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.



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Includes Black Mountain Generating Station and Solid Fuel Resource (\$7.50/mmBtu Gas)

	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Large General Service Delivery Charges</b>				
Customer Charge	\$10.10	\$11.10	\$11.10	50
Demand Charge, per kW	\$9.50	\$10.50	\$10.50	
Energy Charge, per kWh	\$0.053300	\$0.007497	\$0.013143	
Large General Service Base Power Supply Charge, all kWhs		\$0.068363	\$0.062315	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
5,000	\$842.85	\$915.40	\$950.42	12.76%
10,000	\$1,200.60	\$1,294.70	\$1,364.75	13.67%
25,000	\$2,273.85	\$2,432.60	\$2,607.72	14.68%
50,000	\$4,062.60	\$4,329.11	\$4,679.33	15.18%
100,000	\$7,640.10	\$8,122.11	\$8,822.57	15.48%
200,000	\$14,795.10	\$15,708.12	\$17,109.03	15.64%
300,000	\$21,950.10	\$23,294.13	\$25,395.50	15.70%
400,000	\$29,105.10	\$30,880.14	\$33,681.97	15.73%
500,000	\$36,260.10	\$38,466.15	\$41,968.43	15.74%
600,000	\$43,415.10	\$46,052.16	\$50,254.90	15.75%
<b>Large General Service TOU Delivery Charges</b>				
Customer Charge	\$15.00	\$16.00	\$16.00	50
Demand Charge, per kW	\$9.50	\$10.50	\$10.50	
Energy Charge, per kWh	\$0.053300	\$0.007497	\$0.013143	
Large General Service (TOU) Base Power Supply Charge, all kWhs		\$0.068363	\$0.062315	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
5,000	\$847.75	\$920.30	\$955.32	12.69%
10,000	\$1,205.50	\$1,299.60	\$1,369.65	13.62%
25,000	\$2,278.75	\$2,437.50	\$2,612.62	14.65%
50,000	\$4,067.50	\$4,334.01	\$4,684.23	15.16%
100,000	\$7,645.00	\$8,127.01	\$8,827.47	15.47%
200,000	\$14,800.00	\$15,713.02	\$17,113.93	15.63%
300,000	\$21,955.00	\$23,299.03	\$25,400.40	15.69%
400,000	\$29,110.00	\$30,885.04	\$33,686.87	15.72%
500,000	\$36,265.00	\$38,471.05	\$41,973.33	15.74%
600,000	\$43,420.00	\$46,057.06	\$50,259.80	15.75%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
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	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
<b>Large Power Service (&lt;69KV) Delivery Charges</b>				
Customer Charge	\$365.00	\$365.00	\$365.00	
Demand Charge, per kW	\$24.75	\$21.53	\$24.00	500
Energy Charge, per kWh	\$0.023600	\$0.000000	\$0.000000	
Large Power Service (<69KV) Base Power Supply Charge, all kWhs		\$0.061534	\$0.056090	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
300,000	\$25,295	\$29,590.20	\$31,413.24	24.19%
450,000	\$31,573	\$38,820.30	\$40,937.68	29.66%
650,000	\$39,943	\$51,127.10	\$53,636.93	34.29%
850,000	\$48,313	\$63,433.90	\$66,336.18	37.31%
950,000	\$52,498	\$69,587.30	\$72,685.81	38.46%
1,500,000	\$75,515	\$103,431.00	\$107,608.75	42.50%
1,750,000	\$85,978	\$118,814.50	\$123,482.81	43.62%
2,000,000	\$96,440	\$134,198.00	\$139,356.88	44.50%
2,500,000	\$117,365	\$164,965.00	\$171,105.00	45.79%
<b>Large Power Service (&gt;69KV) Delivery Charges</b>				
Customer Charge	\$800.00	\$400.00	\$380.00	
Demand Charge, per kW	\$16.10	\$12.53	\$15.00	500
Energy Charge, per kWh	\$0.023600	\$0.000000	\$0.000000	
Large Power Service (>69KV) Base Power Supply Charge, all kWhs		\$0.061534	\$0.056090	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
<b>Average Sales per Month</b>				
300,000	\$21,405.00	\$25,125.20	\$26,928.24	25.80%
450,000	\$27,682.50	\$34,355.30	\$36,452.68	31.68%
650,000	\$36,052.50	\$46,662.10	\$49,151.93	36.33%
850,000	\$44,422.50	\$58,968.90	\$61,851.18	39.23%
950,000	\$48,607.50	\$65,122.30	\$68,200.81	40.31%
1,500,000	\$71,625.00	\$98,966.00	\$103,123.75	43.98%
1,750,000	\$82,087.50	\$114,349.50	\$118,997.81	44.96%
2,000,000	\$92,550.00	\$129,733.00	\$134,871.88	45.73%
2,500,000	\$113,475.00	\$160,500.00	\$166,620.00	46.83%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.

UNS Electric, Inc.  
Typical Bill Comparison - Present and Proposed Rates  
Test Year Ended June 30, 2006

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Includes Black Mountain Generating Station and Solid Fuel Resource (\$7.50/mmBtu Gas)

	Total Bill Present Rate	Total Bill as Proposed (a.)	Total Bill With BMGS and Estimated PPFAC	Total Estimated Increase %
Interruptible Power Service Delivery Charges				
Customer Charge	\$10.10	\$11.10	\$11.10	
Demand Charge, per kW	\$2.50	\$3.50	\$3.50	50
Energy Charge, per kWh	\$0.053300	\$0.018268	\$0.022967	
Interruptible Power Service Base Power Supply Charge, all kWhs		\$0.062638	\$0.057096	
PPFAC Charge	\$0.018250	\$0.000000	\$0.007406	
Average Sales per Month				
10,001	\$850.67	\$995.24	\$1,060.88	24.71%
15,000	\$1,208.35	\$1,399.69	\$1,498.13	23.98%
20,000	\$1,566.10	\$1,804.22	\$1,935.48	23.59%
30,000	\$2,281.60	\$2,613.28	\$2,810.16	23.17%
50,000	\$3,712.60	\$4,231.41	\$4,559.54	22.81%
75,000	\$5,501.35	\$6,254.06	\$6,746.26	22.63%
100,000	\$7,290.10	\$8,276.71	\$8,932.98	22.54%
125,000	\$9,078.85	\$10,299.36	\$11,119.70	22.48%
150,000	\$10,867.60	\$12,322.02	\$13,306.42	22.44%

Note a: Reflects change in Company's proposed allocation of purchased power from 100% Average and Peaks to 40% Average and Peaks, 60% Energy, as proposed in Bentley Erdwurm's Rebuttal Testimony.